

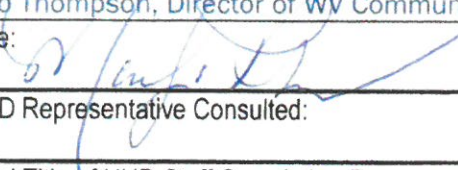
# **P.L. 114-223 and 114-254 Financial Management Guide Certification Checklist**

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**For Community Development Block  
Grant Disaster Recovery (CDBG-DR)  
funds**

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February 2017

<b>Grantee</b>	Name of Recipient: State of West Virginia	
	Name of Departmental organization(s) responsible for executing the Grantee's certification of proficient financial controls and procurement processes: West Virginia Department of Commerce, Community Advancement & Development	
	Staff Consulted: Steve Meester, Russell Tarry, Kelly Workman, Lisa Fisher, Jim Marshall, & Mike Turley	
	Name and Title of Grantee Staff Completing Form: Mary Jo Thompson, Director of WV Community Advancement & Development	
	Signature: 	Date: 3/23/17
<b>HUD</b>	HUD CPD Representative Consulted:	
	Name and Title of HUD Staff Completing Form:	
	Signature:	Date:
	HUD Financial Analyst Consulted:	
	Name and Title of HUD Staff Completing Form:	
	Signature:	Signature:

### CDBG-DR Certification Checklist Instructions

#### Background:

Public Law P.L. 114-223 and 114-254 CDBG-DR (the Appropriations Act) requires that the Secretary certify, in advance of signing a Community Development Block Grant Disaster Recovery (CDBG-DR) grant agreement, that the following requirements are met:

- That the Grantee has in place proficient financial controls;
- That the Grantee has in place proficient procurement processes;
- That the Grantee has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act;
- That the Grantee has established adequate procedures to ensure timely expenditure of funds;
- That the Grantee has established adequate procedures to maintain comprehensive websites regarding all disaster recovery activities assisted with the CDBG-DR funds; and
- That the Grantee has established adequate procedures to detect fraud, waste, and abuse of funds.

## *P.L. 114-223 and 114-254 CDBG-DR Financial Management Guide Certification*

Through the P. L. 114-223 CDBG-DR funds appropriated by the Continuing Appropriations Act, 2017, HUD has allocated Community Development Block Grant Disaster Recovery (CDBG-DR) grants funds for the purpose of assisting long-term recovery in Louisiana, Texas, and West Virginia. Through the P. L. 114-254 a Further Continuing and Security Assistance Appropriations Act, 2017 allocated CDBG-DR funds were appropriated grants funds for the purpose of assisting long-term recovery in Florida, Louisiana, North Carolina, South Carolina, Texas and West Virginia. The CDBG-DR Notice of Funding Availability required applicants to tie their proposals back to the eligible disaster from which they are recovering. The allocations for the above awardees were announced in September 30, 2016 for \$500 million and December 10, 2016 for \$1,805,976,000 for Florida, Louisiana, North Carolina, South Carolina, Texas, and West Virginia.

In order for the Secretary to make the certification for these Grantees, each Grantee must complete the P.L. 114-223 and 114-254 Certification Checklist, completing responses in the column marked "Grantee," and submit the required information to their designated HUD representative. A HUD representative must then review the Grantee's submission and also complete and sign the checklist to certify that it was satisfactorily completed by the Grantee. The Grantee's documentation must be submitted within 60 days of the effective date of the *Federal Register* Notice which publishes the CDBG-DR Awardees. Failure to submit the checklist and documentation within 60 days of the effective date of the Notice may result in the cancellation of the award. Questions on this checklist may be submitted to [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov). In the alternative, Grantees may call (202) 708-3587. **Grant agreements will not be executed until HUD has issued a certification in response to the Grantee's submission.**

### **Definitions:**

**Appropriations Act:** The notices allocate \$1.8 billion and 500 million in Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated for the purpose of assisting long-term recovery in Florida, Louisiana, North Carolina, South Carolina, Texas, and West Virginia..

**Grantee:** CDBG-DR Grantees are the three States that have been allocated CDBG-DR funds for infrastructure, housing, and economic revitalization activities. Each Grantee will designate to HUD the departmental organization responsible for executing the Grantee's certification of proficient financial controls and procurement processes within this checklist.

**HUD reviewers:** HUD reviewers are either staff assigned to HUD's Disaster Recovery and Special Issues Division (DRSI) or staff in the Office of Community Planning and Development's (CPD) Field Offices. In Field Offices, CPD Specialists or Financial Analysts will assist the Grantee in completing Parts A through H of the Certification Checklist. When HUD CPD Specialists or Financial Analysts are not available, the CPD Field Office Director will designate alternate HUD staff to complete the certification. For grants managed by DRSI, the Director of DRSI will assign the HUD reviewers responsible for completing the certification.



Instructions for completing parts A through H:

<i>Parts</i>	<i>Instructions</i>
<b>A. Scope of Review</b>	Grantee identifies the type of governmental unit carrying out the CDBG-DR activities.
<b>B. Financial Controls</b>	<p>1. Grantees will submit their most recent Single Audit produced in response to the Grantees' most recent audit conducted in accordance with 2 CFR part 200, subpart F, and their most recent financial statement prepared in accordance with 2 CFR 200.510.</p> <p><a href="http://www.ecfr.gov/cgi-bin/text-idx?SID=444d3e65fb16067fba3cb7d1f96217ab&amp;mc=true&amp;node=pt2.1.200&amp;rgn=div5#sp2.1.200.f">http://www.ecfr.gov/cgi-bin/text-idx?SID=444d3e65fb16067fba3cb7d1f96217ab&amp;mc=true&amp;node=pt2.1.200&amp;rgn=div5#sp2.1.200.f</a></p> <p>2. The Grantee will complete and submit the Public Law 114-223 and 114-254 Guide for Review of Financial Management.</p> <p>Note: To satisfy the requirements for review of financial processes pertaining to the HUD award, Grantees should consider the processes associated with any other existing HUD or other Federal funding awards and refer to documentation of those awards, where applicable.</p> <p>Note: The grantee's policies, procedures and standards and the grantee's submission of the P.L. 114-223 and 114-254 Guide for Review of Financial Management must demonstrate that the grantee's financial standards are complete and conform to the requirement of the Guide. The grantee must identify which section of its financial policies, procedures and standards address each of the questions in the Guide and which personnel or units are responsible for each aspect of the Guide.</p>
<b>C. Procurement Processes</b>	<p>1. Grantees will certify that the procurement standards to be applied to obligated CDBG-DR funds adhere to required standards as defined in 2 CFR 200.318 through 200.326 and provide their procurement standards and indicate the sections of its procurement standards that incorporate 2 CFR 200.318 through 200.326 so that HUD may evaluate the overall effect of the Grantee's procurement standards. The standards should indicate which personnel or unit are responsible for each item or task; or</p> <p>2. State government Grantees may certify that their procurement standards are equivalent to those at 2 CFR 200.318 through 200.326, meaning that they operate in a manner providing fair and open competition and provide their procurement standards and indicate how the sections of its procurement standards align with the provisions of 2 CFR 200.318 through 200.326 so that HUD may evaluate the overall effect of the Grantee's procurement standards. HUD will review this information and determine whether the standards, taken as a whole, are equivalent to the standards at 2 CFR part 200, subpart D. The standards should indicate which personnel or unit are responsible for each item or task</p> <p>Note: Grantees and HUD reviewers must not indicate that State procurement standards follow both State and OMB Uniform Requirements. Grantees and HUD reviewers must select EITHER (1) OR (2) on the checklist.</p>



*P.L. 114-223 and 114-254 CDBG-DR Financial Management Guide Certification*

<i>Parts</i>	<i>Instructions</i>
<b>D. Procedures for Prevention of Duplication of Benefits</b>	<p>1. Grantees will certify they have standards to ensure prevention of duplicative benefits and provide uniform prevention of duplication of benefits procedures to HUD for HUD evaluation of adequacy.</p> <p>Note: To help prevent the duplication of benefits, HUD published a Notice in the Federal Register on November 16, 2011, at 76 FR 71060.</p> <p><a href="https://www.gpo.gov/fdsys/pkg/FR-2011-11-16/pdf/2011-29634.pdf">https://www.gpo.gov/fdsys/pkg/FR-2011-11-16/pdf/2011-29634.pdf</a></p>
<b>E. Procedures to Determine Timely Expenditures</b>	<p>1. Grantees will certify they have adequate procedures to determine timely expenditures and provide procedures to HUD for HUD evaluation of adequacy.</p>
<b>F. Procedures to Maintain a Comprehensive Website</b>	<p>1. Grantees will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds per P.L. 114-223 and 114-254 and applicable Federal Register Notices.</p> <p>2. Grantees will submit procedures for a separate web page dedicated to its CDBG-DR funds that will contain links to its Application/Action plan, DRGR Action Plan, all Action Plan amendments, Performance reports (i.e., Quarterly Performance Reports (QPRs), Citizen Participation requirements, and Activity/program information for activities described in the DRGR Action Plan.</p> <p>3. Procedures must indicate the frequency of website updates.</p> <p>4. Procedures must indicate which personnel or unit of government are responsible for the task.</p>
<b>G. Procedures to Detect Fraud, Waste, and Abuse of Funds</b>	<p>1. Grantees will detect and prevent waste, fraud, and abuse of funds.</p> <p>2. Grantees will submit standards to indicate its process for verifying accuracy of applicant information.</p> <p>3. Grantees will submit standards to indicate a monitoring policy.</p> <p>4. Grantees will submit standards to indicate describe role of Internal Auditor.</p>
<b>H. Grantee's Certification</b>	<p>Grantee must attest to the proficiency and adequacy of its controls, as required by the Appropriations Act (Public Law 114-223 and 114-254).</p>

## PART A. SCOPE OF REVIEW

Grantees must identify the type of recipient (referred to as "Grantees" in this Checklist) receiving Community Development Block Grant – Disaster Recovery (CDBG-DR) Funds:

State Grantee	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit of Local Government (UGLG) Grantee	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## PART B. FINANCIAL CONTROLS

### 1. OMB Audit and Financial Statement

See Appx. A

See Appx. B

	Grantee	HUD
a) Has the Grantee attached its most recent Single Audit produced in response to the Grantee's most recent audit conducted in accordance with 2 CFR part 200, subpart F, and its most recent financial statement prepared in accordance with 2 CFR 200.510, which include a schedule of expenditures and schedule of findings and questioned costs?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Has the Grantee attached its most recent annual financial statement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Does either the Single Audit or financial statement indicate that the Grantee has material weaknesses, significant deficiencies, or questioned costs?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) If the answer to question 1.c above is yes, has the Grantee provided documentation showing how the issue(s) have been removed or are being addressed? (Although State had some weaknesses/deficiencies identified, none were identified for WVDOC/WVCAD.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the Grantee met the requirements of questions 1.a, 1.b, 1.c and 1.d (if applicable)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If no, describe basis for conclusion:		

### 2. P.L. 114-223 and 114-254 Guide for Review of Financial Management

See Appx. C

See Appx. C-1

	Grantee	HUD
a) Has the Grantee completed P.L. 114-223 and 114-254 Guide for Review of Financial Management and attached it to this Checklist?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Has the Grantee attached its financial standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No



*P.L. 114-223 and 114-254 CDBG-DR Financial Management Guide Certification*

Note. The Guide and the attached documents must demonstrate that the financial standards are complete and conform to the requirements of the P.L. 114-223 and 114-254 Guide for Review of Financial Management. The Grantee must identify which sections of its financial standards address each of the questions in the P.L. 114-223 and 114-254 Guide for Review of Financial Management and which personnel or unit are responsible for each P.L. 114-223 and 114-254 Guide for Review of Financial Management item.		
<b>Has the Grantee met the requirements of questions 2.a and 2.b (if applicable)?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>If no, describe basis for conclusion:</b>		

**PART C. Procurement Processes**

	Grantee	HUD
Note: State grantees may adopt <b>EITHER</b> procurement standards as identified in 2 CFR 200.318 through 200.326, <b>OR</b> equivalent standards. As such, state grantees can only affirmatively answer questions 1 or 2, below. Units of general local government grantees must complete question 1 below.		
1. Has the Grantee adopted the specific procurement standards at 2 CFR 200.318 through 200.326? If yes:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
a. Has the Grantee attached a copy of its procurement policies and procedures and indicated the sections of its procurement standards that incorporate 2 CFR 200.318 through 200.326?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
b. Do the standards indicate which personnel or unit is responsible for each item?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. <b>For State grantees only:</b> In the alternative, are the Grantee's procurement processes and standards equivalent to the procurement standards at 2 CFR 200.318 through 200.326? If yes:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
a. Has the Grantee attached its procurement policies and procedures and indicated the sections of its procurement policies and procedures that align with each procurement provision of 2 CFR 200.318 through 200.326?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
b. Do the processes indicate which personnel or unit is responsible for each item?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Has the Grantee met the requirements of question 1 or 2?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>If no or N/A, describe basis for conclusion:</b>		

See Appx. D & Implementation Plan

## PART D. Procedures for Prevention of Duplication of Benefits

		Grantee	HUD
See Appx. E	1. Has the Grantee provided uniform prevention of duplication of benefits procedures which identifies its processes for:		
Appx. E, pg. 4-5	a. Verifying all sources of disaster assistance?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. E, pg. 1	b. Determining an applicant's unmet need(s) before awarding assistance?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. E, pg. 9	c. Ensuring beneficiaries agree to repay the assistance if they later receive other disaster assistance for the same purpose?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. E, pg. 1-9	2. Do the procedures indicate which personnel or unit is responsible for each task?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Has the Grantee met the requirements of questions 1 and 2?		<input type="checkbox"/> <input type="checkbox"/> Yes No	
If no, describe basis for conclusion:			

## PART E. Procedures to Determine Timely Expenditures

		Grantee	HUD
See Appx. F	1. Has the Grantee attached procedures to determine timely expenditures?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. F, pg. 1	2. Do the procedures indicate how the Grantee will track expenditures each month?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. F, pg. 2	3. Do the procedures indicate how the Grantee will monitor expenditures of its recipients?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. F, pg. 2	4. Do the procedures indicate how the Grantee will reprogram funds in a timely manner for activities that are stalled?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
Appx. F, pg. 2-3	5. Do the procedures indicate how the Grantee will project expenditures?	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No



Appx. F, pg. 1-3

6. Do the procedures indicate which personnel or unit are responsible for the task?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has the Grantee met the requirements of questions 1, 2, 3, 4, 5 and 6?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
If no, describe basis for conclusion:				

## PART F. Procedures to Maintain a Comprehensive Website

Appx. I

Appx. I, pg. 1

Appx. I, pg. 1

Appx. I, pg. 1

Appx. I, pg. 1

Appx. I, pg. 1

Appx. I, pg. 1

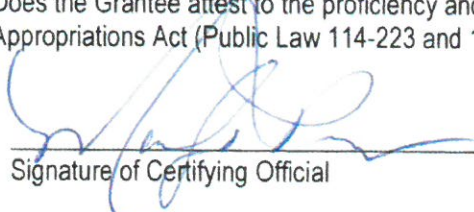
Appx. I, pg. 1-2

	Grantee	HUD
1. Has the Grantee attached procedures to maintain a comprehensive website regarding all CDBG disaster recovery activities?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Do the procedures indicate that the Grantee will have a separate page dedicated to its CDBG-DR funds that will contain links to all:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
a. Action Plans, including DRGR Action Plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. Action Plan amendments,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Performance reports (i.e., Quarterly Performance Reports (QPRs)),	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Citizen participation requirements, and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Activity/program information for activities described in the Action Plan?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Do the procedures indicate the frequency of website updates?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Do the procedures indicate which personnel or unit are responsible for the task?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the Grantee met the requirements of questions 1, 2, 3 and 4?		<input type="checkbox"/> Yes <input type="checkbox"/> No
If no, describe basis for conclusion:		


## PART G. Procedures to Detect Fraud, Waste, and Abuse of Funds

	Grantee	HUD
Appx. G, pg. 2-6 1. Has the Grantee attached procedures that indicate how the Grantee will verify the accuracy of information provided by applicants?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Appx. H Appx. H, pg. 2-3, §3 Appx. H, §3 Appx. H, §5, §6 2. Has the Grantee provided a monitoring policy that indicates: a. How and why monitoring is conducted, b. The frequency of monitoring, and c. Which items are monitored?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has the Grantee's internal auditor affirmed and described its role in detecting fraud, waste, and abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Has the Grantee met the requirements of questions 1, 2 and 3?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
If no or N/A, describe basis for conclusion:		

## PART H. Grantee's Certification

Does the Grantee attest to the proficiency and adequacy of its controls, as required by the Appropriations Act (Public Law 114-223 and 114-254)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
 Signature of Certifying Official <u>Mary Jo Thompson, Director of Community Advancement &amp; Development</u> Printed Name of Certifying Official <u>3/23/2017</u> Date	



PUBLIC LAW 114-113 Guide for Review of Financial Management for CDBG-DR Grantees			
Grantee	Name of Grantee <u>West Virginia</u>		
	Staff Consulted: <u>Lisa Fisher</u>		
	Name and Title of Grantee Staff Completing Form: <u>Lisa Fisher, Chief Compliance Officer</u>		
	Signature: 		Date: <u>3/22/2017</u>
HUD	HUD Staff Consulted:		
	Name and Title of HUD Staff Completing Form:		
	Signature:		Date:

**Instructions:**

**P.L. 114-113 Certifications:** Each grantee must submit Risk Analysis Documentation to demonstrate in advance of signing a grant agreement that it has in place proficient controls, procedures, and management capacity. This includes demonstrating financial controls, procurement processes, and adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act. The grantee must also demonstrate that it can effectively manage the funds, ensure timely expenditure of funds, maintain a comprehensive website regarding all disaster recovery activities assisted with these funds, and ensure timely communication of application status to applicants for disaster recovery assistance. Further, the Grantee has established adequate procedures to detect and prevent fraud, waste, and abuse of funds.

In order for Grantees to demonstrate that proficient financial controls are in place, each Grantee must complete this Public Law 114-113 Guide for Review of Financial Management (the Financial Management Guide) as part of completing Part B. Financial Controls of the P.L. 114-113 Risk Analysis documentation and submit the required information to the Grantee's designated HUD representative. A designated HUD representative from Headquarters or the Field Office (FO) must review the Grantee's submission and complete this Financial Management Guide. When HUD CPD Specialists or Financial Analysts are not available, the CPD FO Director will designate an alternate HUD representative for the FO representative. The Headquarter representative will be assigned by the Director of the Disaster Recovery and Special Issues Division.

The Grantee's documentation must be submitted within 30 days of the effective date of the *Federal Register* Notice 5938-N-01 which publishes the Appropriations Act awardees and the grant requirements (the Notice). Failure to submit documentation within 30 days of the effective date of the Notice may result in the cancellation of the award selection. Grantees must submit Risk Analysis documentation in advance of signing a grant agreement in order to demonstrate that grantees can adequately manage and oversee the CDBG-DR award.

This Financial Management Guide is designed to assess the proficiency of a CDBG-DR Grantee's financial controls based on the financial requirements in Subparts D and F of 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Where the question pertains to a CDBG-DR Grantee, the term Grantee is used.

This Financial Management Guide is a modified exhibit typically used to monitor Grantees following grant execution. To satisfy the requirements for review of financial processes pertaining to the HUD-award, Grantees should consider the processes of existing HUD or other Federal funding awards and refer to documentation of those awards, where applicable. This Financial Management Guide is divided into sections A through J: Financial Management; Internal Controls; Bonds; Payment and Financial Reporting; Cost Sharing or Matching; Program Income; Revision of Budget and Program Plans; Period of Performance; Record Retention and Access; and Audit Requirements. Additionally, in

completing the Financial Management Guide, Grantees must demonstrate that its financial standards are complete and conform to these requirements. The Grantee must identify which sections of its financial standards address each of the questions in the Financial Management Guide and which personnel or unit are responsible for each Financial Management Guide item. As used in this Exhibit, the term “standards” is synonymous with “procedures.”

For convenience, certain questions that address financial requirements contain citations to sources that served as the basis for the development of these questions (statute, regulation, NOFA, or grant agreement).

Grantees must identify the type of recipient receiving CDBG-DR grant funds:

	Grantee
State Grantee	<input checked="" type="checkbox"/>
Unit of Local Government (UGLG) Grantee	<input type="checkbox"/>

Please note that all references to "Accounting P&P" in this Guide for Review of Financial Management refer to APPENDIX RFM 1, West Virginia Office of Economic Opportunity's ACCOUNTING AND FINANCIAL POLICY AND PROCEDURES MANUAL.



**PART A. FINANCIAL MANAGEMENT:**

1.

The Grantee must have a system for accounting records to identify adequately the source and application of funds for CDBG-DR-funded activities. The Grantee can facilitate compliance with this requirement if it accounts for a HUD program in a separate accounting fund (e.g., Special Revenue Fund). Note, however, that HUD will not impose specific accounting requirements (such as requiring the Grantee to utilize an accrual basis of accounting).			
	Grantee		HUD
a) Does the Grantee have standards to ensure that accounting records contain information on the CDBG-DR grant award, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, program income (as defined by the Notice), and interest?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 4 #3; details begin on page 7 in the Chart of Accounts section; see also "Fund 8746" on pg. 7 under which all information for CDBG - DR award will be captured.</a>			
b) Does the Grantee have standards to maintain adequate source documentation for the information identified in question 1(a)? (To determine compliance, a grantee may select a sample of accounting entries and determine whether they are supported by invoices, contracts, or purchase orders, etc.) [2 CFR 200.302(b)(3)]	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P Page 4 #3; see Accounts Payable begin on pages 29-33</a>			
c) Does the Grantee have standards established to provide a comparison of expenditures to the budget amounts for the CDBG-DR award? (NOTE: Grantees will usually demonstrate compliance with this requirement by making entries in its accounting records of the amounts budgeted/allocated for activities to be undertaken with the assistance provided under the HUD award which in turn facilitates preparation of financial statements that provide for such comparison.) [2 CFR 200.302(b)(5)]	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P Page 4 #5; details for Grant Reconciliations begin on page 36</a>			

	Grantee	HUD
d) Does the Grantee have standards requiring it to enter in its accounting records an encumbrance/obligation when contracts are executed, purchase orders issued, etc.? [2 CFR 200.302(b)(3)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P Page 10, Post-Award Procedures #2</a>		
e) Does the Grantee have standards to identify expenditures in its accounting records according to eligible activity classifications specified in the statute, regulations, or grant agreement that clearly identify the use of CDBG-DR funds for eligible activities? [2 CFR 200.302(b)(3)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 26-27, Segregating Unallowable from Allowable Costs #6</a>		
f) Does the Grantee have standards to ensure information on obligations, expenditures, and program income (as defined by the Notice) submitted to HUD in the Disaster Recovery and Grant Reporting System (DRGR), Quarterly Performance Reports (QPR), or other applicable report(s), reconcile with the Grantee's accounting records for time periods reviewed? NOTE: If the Grantee maintains its records on other than an accrual basis, it must be able to support accrual data for its reports on the basis of the documentation on hand. [2 CFR 200.302(b)(2)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 36-37 Grant Reconciliations</a>		

2.

	Grantee	HUD
Does the Grantee have standards to maintain adequate control over all funds, property, and other assets to ensure they are used solely for authorized purposes? See questions below that are related to internal controls. [2 CFR 200.302(b)(4)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 4 #4, page 5-6 Security, and page 8 Control of Chart of Accounts</a>		



**PART B. INTERNAL CONTROLS:**

The Grantee must establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the Grantee is able to manage the Federal award in compliance with this part. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States (known as the "Green Book") or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The definitions of internal control in these documents are intentionally broad. The evaluation of the effectiveness of the Grantee's internal control system likewise must cover a broad range of considerations (e.g., procurement, cost principles,). Further, the audit requirements in 2 CFR part 200, Subpart F include procedures to evaluate the auditee's internal control system. Therefore, the questions below are limited in scope. However, the HUD reviewer should take these considerations into account, together with the questions below, in making an overall assessment of the adequacy of the Grantee's internal controls.

3.

	Grantee	HUD
a) Does the Grantee have standards to perform a self-assessment of its internal control system? [2 CFR 200.303(a)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P - page 45-46, Preparation for Annual Audit, Planning</a>		
b) Does the Grantee have standards to take reasonable measures to safeguard protected personally identifiable information (PII) and other information that HUD or a pass-through entity designates as sensitive, or the Grantee considers sensitive, consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality? (HUD shall verify that the Grantee has a written policy for protecting PII and other safeguard measures.) [2 CFR 200.303(e)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 6 Storage of Sensitive Data; See Appendix RFM-2: Office of Technology Policies, WVOT P0100; WVDOC/OEO is required to follow this policy.</a>		
c) Does the Grantee have the ability to submit an organization chart that sets forth the actual lines of responsibility for the CDBG-DR award?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">See page 3 of Accounting Policies and Procedures; see also Appx. K of the Implementation Plan package.</a>		
d) Does the Grantee have standards to ensure duties and responsibilities are segregated (to the extent practicable) so that no one individual has complete authority over a financial transaction?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

(For example, the Grantee's procedures preclude one person from issuing purchase orders, receiving merchandise, and approving payment vouchers.)		
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**Provide Cross-Reference to Standards:**

Accounting P&amp;P - page 17 Segregation of Duties

**PART C. BONDS**

4.

	Grantee	HUD
a) Does the Grantee have standards to ensure fidelity bond coverage will be obtained for the responsible officials? [2 CFR 200.304(b)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> West Virginia Code §§ 6-2-1, 6-2-3, 6-2-6. See Appendix RFM-3		

	Grantee	HUD
b) If the answer to 5(a) above is yes, does the Grantee's standards ensure the bond will be from a company holding a certificate of authority as an acceptable surety, as prescribed in 31 CFR Part 223, <i>Surety Companies Doing Business with the United States</i> ? [2 CFR 200.304(c)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Provide Cross-Reference to Standards:</b> West Virginia Code §6-2-2. See Appendix RFM-4		



**PART D. PAYMENT AND FINANCIAL REPORTING:**

5.

	Grantee	HUD
a) If the Grantee is a State, payments under awards that are not governed by a Treasury-State Cash Management Improvement Act (CMIA) agreement, or are not otherwise covered by subpart A of 31 CFR Part 205, must comply with subpart B of that part. If the CDBG-DR award is subject to subpart B, does the Grantee have standards to ensure the timing and amount of funds transfers as close as is administratively feasible to the State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs? [2 CFR 200.305(a); 31 CFR 205.33(a)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 16-17 Financial Reporting and Cash Drawdowns of Advances</a>		
b) If the State transfers grant funds to subrecipients, does the State have a system to minimize the time elapsing between the receipt of funds from the Federal government and the transfer of funds to the subrecipients? [2 CFR 200.305(a); 31 CFR Part 205, Subpart B]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: <a href="#">Accounting P&amp;P page 37 Cash Flow Management section</a>		

6.

	Grantee	HUD
a) If the Grantee is <b>not a State</b> and transfers grant funds to subrecipients, does the Grantee have standards to ensure the time elapsing is minimized between the receipt of funds from the Federal government and the transfer of funds to the subrecipients? [2 CFR 200.305(b)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Provide Cross-Reference to Standards:</b>		
b) If the Grantee is <b>not a State</b> , and requests funds in advance, do the Grantee's standards allow the Grantee to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Grantee for direct program or project costs and the proportionate share of any allowable	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

indirect costs; and are the advance payments limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the Grantee in carrying out the purpose of the approved project or program? (NOTE: The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the Grantee.)  
[2 CFR 200.305(b)(1)]

**Provide Cross-Reference to Standards:**

7.

	Grantee	HUD
If a Grantee holds cash advances in excess of three business days, including cash advances provided to subrecipients, does the Grantee have standards to provide a sufficient justification? (NOTE: Holding cash advances for a period longer than three business days is not a violation <i>per se</i> ; it may become a preliminary screening measure to determine whether further explanations are required).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P, Page 5 #7 references compliance with 2 CFR Part 200.305</a>		

8.

	Grantee	HUD
a) Does the Grantee have standards to disburse funds available from program income (as defined by the Notice), including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds <u>before</u> requesting additional cash payments? [2 CFR 200.305(b)(5)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P Pages 18-20, Program Income</a>		
b) Does the Grantee have standards to ensure advance payments of HUD funds will be deposited and maintained in insured accounts whenever possible? [2 CFR 200.305(b)(7)(ii)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 16, Financial Reporting #6</a>		



<p>c) If the Grantee receives grant advances, does the Grantee have standards to maintain the advance payments in an interest-bearing account <u>or</u> meet one of the following exceptions?</p> <p>i. The Grantee receives less than \$120,000 in Federal awards per year.</p> <p>ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.</p> <p>iii. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.</p> <p>[2 CFR 200.305(b)(8)]</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Provide Cross-Reference to Standards:</b>  <a href="#">Exception ii.</a></p>		

9.

	Grantee	HUD
<p>If grant advances will be deposited into an interest-bearing account, does the Grantee have standards for remitting interest income in excess of \$500 annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment?</p> <p>[2 CFR 200.305(b)(9)]</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Provide Cross-Reference to Standards:</b>  <a href="#">N/A per above</a></p>		

**PARTE. COST SHARING OR MATCHING**

11.

	Grantee	HUD
<p>Does the Grantee have standards to ensure contributions meeting cost sharing or matching requirements, including cash and third party in-kind contributions, meet the following criteria:</p> <p>a. Are verifiable from the Grantee's records;</p> <p>b. Are not included as contributions for any other Federal award;</p> <p>c. Are necessary and reasonable for accomplishment of project or program objectives;</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No

d. Are allowable under Subpart E—Cost Principles; e. Are not paid by the Federal Government under another Federal award, except as authorized by Federal statute; f. Are provided for in the approved budget when required by HUD; and g. Conform to other provisions of 2 CFR part 200, as applicable? [2 CFR 200.306(b)]		
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 12 Cost Sharing and Matching (In-Kind)</a>		

12.

	Grantee	HUD
a) Does the Grantee have a system to identify unrecovered indirect costs included as a contribution for cost sharing or matching purposes? (NOTE: Unrecovered indirect costs are the difference between the amount charged to the HUD award and the amount which could have been charged to the HUD award under the Grantee's approved negotiated indirect cost rate.) [2 CFR 200.306(c)]	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P p. 26-29</a>		
b) Does the Grantee have standards to request prior HUD approval of such inclusion? [2 CFR 200.306(c)]	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P p. 26-29</a>		
c) Does the Grantee have standards to identify the non-cash contributions valued in accordance with the requirements at 2 CFR 200.306(d) through (j)? [2 CFR 200.306(d)-(j)]	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P p. 15</a>		



**PART F. PROGRAM INCOME**

12.

	Grantee	HUD
If revenue-generating activities will be undertaken (e.g., rehabilitation loans, economic development loans), does the Grantee have a system to establish revenue accounts in its accounting records to record program income (as defined by the Notice)? [2 CFR 200.302(b)(3)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P p. 18-20, Program Income</a>		

13.

	Grantee	HUD
a) Does the Grantee have a system to track program income (as defined by the Notice) generated by subrecipients? [2 CFR 200.302(b)(4)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P p. 18-20, Program Income</a>		
b) Does the Grantee have a system to track program income (as defined by the Notice) retained by the subrecipient for ensuring that such income is reported in a timely and accurate manner? [2 CFR 200.302(b)(2)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P p. 18-20, Program Income</a>		
c) Upon expiration of any agreements between the Grantee and its subrecipients, does the Grantee have a system to ensure the timely transfer of any funds required to be returned to the Grantee; and/or the timely transfer of outstanding loans or accounts receivable? [2 CFR 200.302(b)(4)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P p. 18-20, Program Income</a>		

14.

	Grantee	HUD
Does the Grantee have standards to ensure that it will comply with the requirements governing the reporting on receipt and use of program income in the Disaster Recovery Grant Reporting System (DRGR)? [2 CFR 200.302(b)(2)]	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Acc. P&amp;P - page 37 Federal Award Reporting and pages 18-20, Program Income</a>		

**PART G. REVISION OF BUDGET AND PROGRAM PLANS**

15.

	Grantee	HUD
a) Does the Grantee have standards to ensure that any changes made to the approved project's budget, scope, or objectives will be identified to HUD?	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P p. 45 Budget Modifications</a>		

	Grantee	HUD
b) Does the Grantee have standards to require HUD approval before making any of the following changes to a non-construction award?	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
i. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).		
ii. Change in a key person specified in the application of the Federal award.		
iii. The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.		
iv. The inclusion, unless waived by HUD, of costs that require prior approval in accordance with Subpart E—Cost Principles of 2 CFR part 200, or 45 CFR part 75 Appendix IX, <i>Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals</i> , or 48 CFR part 31, <i>Contract Cost Principles and Procedures</i> , as applicable.		
v. The transfer of funds budgeted for participant support costs as defined in §200.75, <i>Participant support costs</i> ,		



<p>to other categories of expense.</p> <p>vi. Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in §200.332, <i>Fixed amount subawards</i> (this provision does not apply to the acquisition of supplies, material, equipment or general support services).</p> <p>vii. Changes in the approved cost sharing or matching provided by the Grantee.</p> <p>viii. The need arises for additional Federal funds to complete the project.</p> <p>[2 CFR 200.308(c)(1)]</p>		
<p><b>Provide Cross-Reference to Standards:</b></p> <p><a href="#">Accounting P&amp;P Page 44 Budget and Program Revisions</a></p>		

16.

	Grantee	HUD
<p>Does the Grantee have standards to require HUD approval before making any of the following budget revisions whenever (a), (b), or (c) below applies to a construction award?</p> <p>a. The revision results from changes in the scope or the objective of the project or program.</p> <p>b. The need arises for additional Federal funds to complete the project.</p> <p>c. A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in 2 CFR part 200, Subpart E—Cost Principles.</p> <p>[2 CFR 200.308(g)]</p>	<p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
<p><b>Provide Cross-Reference to Standards:</b></p> <p><a href="#">Accounting P&amp;P p. 45 Budget Modifications</a></p>		

**PARTH. PERIOD OF PERFORMANCE**

17.

	Grantee	HUD
<p>Does the Grantee have standards to ensure it will charge to the HUD award only allowable costs (except as described in §200.461, <i>Publication and printing costs</i>) incurred during the period of performance and authorized pre-award costs?</p>	<p><input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p>	<p><input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p>

[2 CFR 200.309]

**Provide Cross-Reference to Standards:**[Accounting P&P page 26-29 Charging of Costs to Federal Awards](#)**PART I. RECORD RETENTION AND ACCESS**

18.

Grantee	HUD	Grantee
Does the Grantee have standards to comply with applicable record retention and access requirements? [24 CFR 570.502; or 24 CFR 570.490]	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 49 Record Retention</a>		

**PART J. AUDIT REQUIREMENTS**

Instructions: A Grantee that expends \$750,000 or more during the Grantee's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR part 200, Subpart F, *Audit Requirements*. Grantees that provide Federal awards to subrecipients are referred to as "pass-through entities." A subrecipient must also have a single or program-specific audit if it meets the \$750,000 expenditure threshold. Pass-through entities are required by 2 CFR 200.331 to ensure compliance with Subpart F. A Grantee that expends less than \$750,000 in Federal awards during the entity's fiscal year is exempt from audit requirements for that year, except as noted in 2 CFR 200.503. This section of questions is designed to assist the HUD reviewer in determining whether the Grantee is able to comply with the required elements of an audits management system.

19.

	Grantee	HUD
Does the Grantee have standards to meet the annual expenditure threshold (\$750,000) for having a single or program-specific audit conducted? If "no," skip questions 22 through 27.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P pages 45-48, Annual Audit. The Financial Accounting and Reporting Section (FARS) within the State Auditor's Office ensures the performance of a single audit each fiscal year.</a>		



20.

	Grantee	HUD
a) Does the Grantee have standards to procure or arrange for the audit services in accordance with the procurement standards at 2 CFR 200.317 – 200.326? [2 CFR 200.508(a) and 2 CFR 200.509]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">State Auditor procures audit services under West Virginia Purchasing Division Procedures Handbook Section 3.7.1.2. See Appendix RFP-5</a>		
b) Does the Grantee have standards to request for proposal audit services that clearly state the objectives and scope of the audit? NOTE: the Grantee requests a copy of the audit organization's peer review report which the auditor is required to provide under Generally Accepted Government Auditing Standards (GAGAS)? [2 CFR 200.509(a)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">State Auditor procures audit services under West Virginia Purchasing Division Procedures Handbook Section 6. See Appendix RFP-5</a>		
c) Does the Grantee have standards to apply the factors, to be considered in evaluating the proposal for audit services which include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price? [2 CFR 200.509(a)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">State Auditor procures audit services under West Virginia Purchasing Division Procedures Handbook Section 6.2.4. See Appendix RFM-5</a>		
d) Does the Grantee have standards to make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises, in procuring audit services as stated in §200.321, <i>Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms</i> ? [2 CFR 200.509(a)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">See West Virginia Purchasing Division Procedures Handbook, Sections 4.4 and 6.3.2. See Appendix RFM-5</a>		

21.

	Grantee	HUD
Does the Grantee have standards for the auditee prepare financial statements, including the schedule of expenditures of Federal awards, required by 2 CFR 200.510? [2 CFR 200.508(b)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">West Virginia State Auditor includes this requirement each year in the scope of services for its external auditor.</a>		

22.

	Grantee	HUD
Does the Grantee have standards to promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with 2 CFR 200.511(b) and 2 CFR 200.511(c), respectively? [2 CFR 200.303(d) and 2 CFR 200.508(c)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P page 45-47</a>		

23.

	Grantee	HUD
Does the Grantee have a system to electronically submit to the Federal Audit Clearinghouse the data collection form described in 2 CFR 200.512(b) and reporting package described in 2 CFR 200.512(c) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period? [2 CFR 200.512(a) and (d)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">Accounting P&amp;P page 45, Role of the Independent Auditor</a>		

24.

	Grantee	HUD
a) Does the Grantee have standards to inform subrecipients of the 2 CFR part 200, Subpart F audit requirements at the time of the subaward? [2 CFR 200.331(a)(2)]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Provide Cross-Reference to Standards:**[Accounting P&P pages 23-25, Monitoring of Subrecipients](#)

b) Does the Grantee have standards to verify that every subrecipient is audited, as required by Subpart F, when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the \$750,000 expenditure threshold?  
[2 CFR 200.331(f)]

☒ ☐  
Yes No

☐ ☐  
Yes No

**Provide Cross-Reference to Standards:**[Accounting P&P p. 24 #9](#)

c) Does the Grantee have standards to ensure that the subrecipients take timely and appropriate action on all deficiencies pertaining to HUD awards it provided to subrecipients that were detected through audits, on-site reviews and other means?  
[2 CFR 200.331(d)(2)]

☒ ☐  
Yes No

☐ ☐  
Yes No

**Provide Cross-Reference to Standards:**[Accounting P&P Page 24-25 #10f and 12](#)

d) Does the Grantee have standards to issue a management decision for audit findings that relate to HUD awards that it makes to subrecipients?  
[2 CFR 200.331(d)(3)]

☒ ☐  
Yes No

☐ ☐  
Yes No

**Provide Cross-Reference to Standards:**[Accounting P&P p. 24 #9, Monitoring of Subrecipients](#)

25.

	Grantee	HUD
Does the Grantee have standards to ensure that the HUD award is charged no more than a reasonably proportionate share of the costs of audits required by, and performed in accordance with 2 CFR part 200, Subpart F? [2 CFR 200.425(a)]	<input checked="" type="checkbox"/> <input type="checkbox"/> Yes No	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Provide Cross-Reference to Standards:</b> <a href="#">Accounting P&amp;P p.24 #9, Monitoring of Subrecipients</a>		



26.

When a auditee expends Federal awards under only one Federal program and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507, *Program-specific audits*. When a program-specific audit is elected for a HUD program, the auditee and auditor must have basically the same responsibilities for the Federal program as they would have for an audit of a major program in a single audit. Answer the following questions only if the Grantee has elected to have a previous program-specific audit performed.

	Grantee	HUD
a) Does the Grantee have standards to ensure the auditee prepared the financial statement(s) for the HUD program that includes, at a minimum, a schedule of expenditures of Federal awards for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings consistent with the requirements of 2 CFR 200.511(b), and a corrective action plan consistent with the requirements of 2 CFR 200.511(c)? [2 CFR 200.507(b)]	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Provide Cross-Reference to Standards:</b> <a href="#">West Virginia does not anticipate conducting a program specific audit.</a>		
b) Does the Grantee have a system to electronically submit to the Federal Audit Clearinghouse the reporting package required by 2 CFR 200.507(c)(3) and the data collection form prepared in accordance with 2 CFR 200.512(b) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period? [2 CFR 200.507(c)]	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <a href="#">West Virginia does not anticipate conducting a program specific audit.</a>		